

EXHIBIT "1"

U. S. DEPARTMENT OF EDUCATION
SAN FRANCISCO, CALIFORNIA
CERTIFICATE OF INDEBTEDNESS

Name: Janice Mosley
AKA: Janice B. Mosley
Address:
Hesperia, CA
SSN: -6983

I certify that U.S. Department of Education records show that the borrower named above is indebted to the United States in the amount stated below plus additional interest from 10/2/98.

On or about 5/13/85 the borrower executed promissory note(s) to secure loan(s) of \$2,500.00 from The Crocker Bank at 8 percent interest per annum. This loan obligation was guaranteed by California Student Aid Commission and then reinsured by the Department of Education under loan guaranty programs authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. 1071 et.seq (34 C.F.R. Part 682). The holder demanded payment according to the terms of the note(s) and, credited \$416.03 to the outstanding principal owed on the loan(s). The borrower defaulted on the obligation on 5/29/91 and the holder filed a claim on the guarantee.

Due to this default, the guaranty agency paid a claim in the amount of \$2,277.18 to the holder. The guarantor was then reimbursed for that claim payment by the Department under its reinsurance agreement. The guarantor attempted to collect the debt from the borrower. The guarantor was unable to collect the full amount due, and on 9/5/95, assigned its right and title to the loan(s) to the Department.

Since the assignment of the loan, the Department has received a total of \$785.00 in payments from all sources, including Treasury Department offsets, if any. After application of these payment, the borrower now owes the United States the following:

Principal:	\$1,597.86
Interest:	\$ 411.52
Administrative/Collection Costs:	\$ 0.00
Late fees:	\$ 0.00
Total debt as of 10/2/98	\$2,009.38

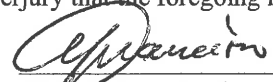
Interest accrues on the principal shown here at the rate of \$.35 per day.

Pursuant to 28 U.S.C. S 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on:

10/9/98

Name:



Title: Loan Analyst

Branch: Litigation Branch

CALIFORNIA GUARANTEED STUDENT LOAN PROGRAM
STUDENT AID COMMISSION

PROMISSORY NOTE AND DISCLOSURE STATEMENT

Borrower Name **JANICE B MOSLEY**

Social Security Number

- 6983 01

O.E. Lender Code Number 813298
Lending Institution Name and AddressTHE CROCKER BANK
74 NEW MONTGOMERY STREET
SAN FRANCISCO
CALIFORNIA 94105

3300765

ANNUAL PERCENTAGE RATE
The cost of my credit as a yearly rate.A. Prior to Repayment 4.47 %
B. During Repayment 8.00 % *pn*Amount Financed
The amount of credit provided to me.\$ 2,318.75Prepayment: If I pay off early I will not have to pay a penalty and I may be entitled to a refund of part of the finance charge.
Late Charge: If a payment is late, I may be charged \$5.00 or 5% of the payment, whichever is less.

I must read the entire promissory note for any additional information about nonpayment, default, any required repayment in full before the scheduled date and prepayment refunds and penalties.

ITEMIZATION OF THE AMOUNT FINANCED

Loan Amount (Proceeds) \$ 2,500.00Less: Prepaid Finance Charge \$ 181.25

Includes:

Guarantee Fee \$ 56.25Origination Fee \$ 125.00

(5 % of Loan Amount)

Equals: Amount Financed

\$ 2,318.75

Disbursement Schedule	Estimated Date of Disbursement	Loan Amount	Prepaid Finance Charge		Amount Financed
			Guarantee Fee	Origination Fee	
First (or entire)	05/21/85	2,500.00	56.25	125.00	2,318.75
Second					
Third					

I. **PROMISE TO PAY:** I promise to pay to you or your order when this Note becomes due as set forth in Paragraph II, the "Loan Amount" as shown in "Itemization of the Amount Financed" to the extent it is advanced to me plus interest as set forth in Paragraph III, and any other charges which may become due as provided in Paragraph VI.II. **DATE NOTE BECOMES DUE:** This Note will become due on the earliest of the following dates: 1) 6 months after I stop carrying, at a eligible school approved by the Guarantor, at least one-half of the normal full-time academic workload required by such school; or 2) If I have not already enrolled on the basis (at least half-time) shown in my application for this loan, the last day set by the school named in my application for which I can begin to get academic credit for the period covered by this loan even though I may plan to enroll at a later date within the loan period.III. **INTEREST:** I agree to pay an amount equivalent to simple interest on the unpaid balance at the rate of EIGHT % per annum from the date I advance the loan until the loan is paid in full. You will not collect from me any interest which the United States Government will pay for me. I will pay you at the end of each month any interest due from me, or you may allow me to defer the payment of this interest until this Note becomes due. When this Note becomes due I may either pay the total interest due or such interest will be added to the principal balance due to be repaid, with interest, in installments. All payments will be made to your address given above or to any other address you notify me of.IV. **GUARANTEE-ORIGINATION FEES:** I will pay you a guarantee fee in the amount shown in "Itemization of the Amount Financed" which you will forward to the Guarantor to pay for its guarantee of this Note. The guarantee fee is equal to ONE % per annum on the amount of this loan from the disbursement date until TWELVE months after the graduation/completion date given on my application for this loan. No part of this guarantee fee will be repaid to me unless the total loan is repaid within 60 days after the disbursement date, in which case the total fee will be returned. I will pay you a loan origination fee authorized by federal law in the amount disclosed in the "Itemization of the Amount Financed" above. If any loan disbursement check is returned uncashed to the lender I will be entitled to a refund of any loan origination fee paid in respect to such disbursement. The guarantee fee and the loan origination fee may both be deducted from the proceeds of my loan.V. **WHOLE LOAN DUE:** I will be in default and you have the right to give me notice that the whole outstanding principal balance plus any unpaid interest I owe is due and payable at once (subject to any law which gives me a right to cure my default) if: 1) Any payment has not reached you within 30 days after it is due; or 2) I fail to notify you of a change in my name, address, or school enrollment status within 10 days; or 3) I break any of my other promises under this agreement; or 4) Any bankruptcy proceeding is begun by or against me, or I assign any of my assets for the benefit of my creditors; or 5) I make any false written statement in applying for this loan or for an extension or deferment of this loan. After sending such notice to me, you will have the right, without further notice, to take the outstanding balance out of my checking and/or savings account I have with you if permitted by law, but not out of the proceeds of any other property of mine which you have a right to take because of any other agreement between you and me. If I default, I will be required to pay interest on this loan as provided in Paragraph III from the date of default since the United States Government will stop paying such interest on my behalf.VI. **COLLECTION COSTS:** 1) I agree to pay you reasonable amounts permitted by law, including the fees of an outside attorney and court costs, which you incur in collecting any amount I owe under the Note which is not paid when due. 2) If any payment has not reached you within 10 days after its due date, you may, if permitted by law, bill me for a late charge at the amount shown above.

I WILL NOT SIGN THIS NOTE BEFORE READING IT, INCLUDING THE WRITING ON THE REVERSE SIDE, EVEN IF OTHERWISE ADVISED. I WILL NOT SIGN THIS NOTE IF IT CONTAINS ANY BLANK SPACE. I AM ENTITLED TO AN EXACT COPY OF THIS NOTE AND ANY AGREEMENT I SIGN. BY SIGNING THIS NOTE I ACKNOWLEDGE THAT IT CONTAINS NO BLANK SPACE AND THAT I HAVE RECEIVED AN EXACT COPY HEREOF. I HAVE THE RIGHT AT ANY TIME TO PAY IN ADVANCE THE UNPAID BALANCE DUE UNDER THIS NOTE WITHOUT PENALTY.

Borrower Signature Janice MosleyDate 5-13-85Permanent Address Rowland Heights CA

Signature of Co-signer (if any)

Date

Permanent Address

NOTICE: SEE OTHER SIDE FOR IMPORTANT INFORMATION

VII. ADDITIONAL AGREEMENTS: 1) The proceeds of this loan will be used only for my education expenses at the school listed in my application. 2) I will send written to you at the address shown for the lender on the front or any holder of this Note, within 10 days after any change in my name, address, or school enrollment. 3) Any notice required to be given to me will be effective when mailed by first class mail to the latest address you have for me. No separate notice is required by any Co-Signer. 4) Your failure to enforce or insist that I comply with any term of this Note is not a waiver of your rights. No provision of this Note can be modified except in writing. 5) If the Guarantor is required under its guarantee to repay my loan(s) because I have defaulted, the Guarantor will become the creditor of this Note and as my creditor will have all the rights of the original lender to enforce this Note against me. 6) I understand that I must repay this Note even if I may be under 18 years of age. 7) I understand my loan will be cancelled if I die or become totally and permanently disabled. 8) In this Note the words I, or my mean each and all of those who signed it. If more than one person signs this Note, each person will be liable up to the full amount of the loan. You, yours mean the lender and any other owner of this Note. Guarantor means the California Student Aid Commission.

VIII. DEFERMENT: You will let me pay interest only, if such interest is not paid by the United States Government and defer making principal payments on this Note as provided below if my repayment period has begun, I am not in default, and can prove to you that I qualify for the deferment; 1) While I am enrolled; a) in an eligible institution approved by the Guarantor in the normal full-time academic workload, as determined by that school, unless I am not a citizen or national of the United States; or b) in a graduate fellowship program approved by the Secretary of Education; or c) in a rehabilitation training program for disabled individuals approved by the Secretary of Education; or d) as a full-time student at either an institution of higher education or vocational school which is operated by an agency of the Federal Government. 2) For a period not exceeding 3 years for each of the following while I am; a) On active duty in the Armed Forces of the United States or serving as an officer in the Commissioned Corps of the United States Public Health Service; or b) Serving as a Peace volunteer; or c) Serving as a full-time volunteer under Title I of the Domestic Volunteer Service Act of 1973 (e.g. VISTA); or d) Providing service as a full-time volunteer for an organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954, which the Secretary of Education has determined is comparable to service in the Peace Corps or ACTION programs. 3) For one or more periods not exceeding 3 years while I am; a) Temporarily totally disabled as established by affidavit of a qualified physician; or b) Unable to work because I must care for a spouse who is temporarily totally disabled as established by affidavit of a qualified physician. 4) For a period not exceeding 2 years while I am serving an internship that is needed to gain professional recognition required to practice a profession. 5) For a single period not exceeding one year while I am conscientiously seeking but unable to find full-time employment in the United States.

For loans in repayment and disbursed before October 1, 1981, a six-month post deferment grace period is provided following any period of authorized deferment. If my loan is disbursed on or after October 1, 1981, and if I have received an authorized deferment, I am not eligible for a six-month post deferment grace period.

All right, title and interest of the California Student

IX. REPAYMENT IN INSTALLMENTS: I can repay the total amount due on this Note in installments, with interest at the rate indicated in "Annual Percentage Rate—Disbursement" on the unpaid balance from the due date of this Note or the date of the first disbursement, whichever is later. 2) This Note has become due because of item 2 of Paragraph VIII. I understand that the prior to the due date of this Note, I will, at your option, sign either a Payment or Repayment Schedule which shows the repayment terms. If I sign a Repayment Schedule, it will include all loans I have received from you under the California Student Aid Commission. If I sign a Payment Schedule, it will include all loans I have received from you under the California Student Aid Commission. Signature _____ Date _____

The Payout Note or Repayment Schedule will require me to make monthly payments for a period of not less than 5 nor more than 10 years after this Note becomes due. The repayment period will not be longer than 15 years from the date of the first disbursement, not counting periods for which I am granted any authorized deferment outlined in Paragraph VIII. My original in-school period is counted in the 15-year period. At my option I may agree to a repayment period that is shorter than 5 years. However, I may at any time later have the repayment period extended to the total repayment period is not less than 5 years. If my loan(s) is disbursed prior to October 1, 1981, my total payments for any year of the repayment period shall not be less than \$360 per year, including payments by my spouse on any loan under such loan programs (or the balance of all such loans plus accrued interest if less than \$360) even though this may result in a repayment period shorter than 5 years. If my loan(s) is disbursed on or after October 1, 1981, my total payments for any year of the repayment period on all my loans or shall not be less than \$600 per year, including payments by my spouse on any loan under such loan programs (or the balance of all such loans plus accrued interest if less than \$600) even though this may result in a repayment period shorter than 5 years.

SAMPLE SCHEDULE OF PAYMENTS

A student loan is a serious commitment. Prior to undertaking this financial obligation I should talk to my financial aid officer about all other financial assistance available to me.

Should I still feel a loan is necessary after reviewing other financial aid, it is important I understand my responsibilities as detailed on the Statement of Borrower Rights and Responsibilities which has been given to me.

To further assist me in understanding my repayment possibilities, some examples of typical repayment plans for 7% and 9% loans are listed below.

Amount of Repayment Obligation	Number of Months	Seven Percent				Nine Percent			
		Monthly Payment*	Finance Charge*	Total of Payments*	Annual Percentage Rate	Monthly Payment*	Finance Charge*	Total of Payments*	Annual Percentage Rate
\$ 2,500	48	\$ 59.85	\$ 372.80	\$ 2,872.80	7%	\$ 62.20	\$ 485.60	\$ 2,985.60	9%
5,000	84	75.46	1,338.64	6,338.64	7%	80.44	1,756.96	6,756.96	9%
7,500	120	87.08	2,949.60	10,449.60	7%	94.95	3,894.00	11,394.00	9%
10,000	120	116.11	3,933.20	13,933.20	7%	126.60	5,192.00	15,192.00	9%
12,500	120	145.12	4,314.40	17,414.40	7%	158.25	6,490.00	18,990.00	9%
15,000	120	174.15	5,898.00	20,898.00	7%	189.90	7,788.00	22,788.00	9%

*Estimated

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